NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

# PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this	day of July	, 2009, by and between
marach Martinez and wife	DFELIA MOST	INEZ
hereinabove named as Lessee, but all other provisions (Includ	ing the completion of blank spa	s 75201, as Lessee. All printed portions of this lease were prepared by the party
ARES OF LAND, MORE OR LESS OUT OF THE POLICE HILLS  FOR T WORTH IN VOLUME 388-H PAGE	TARRANT COUNTY,	ADDITION, AN ADDITION TO THE CITY OF TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing 332 gross acres, more or less (including any interests therein which Lessor may heroafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalities hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.		
<ol><li>This lease, which is a "paid-up" lease requiring no rel as long thereafter as oil or gas or other substances covered he otherwise maintained in effect pursuant to the provisions hered</li></ol>	ereby are oroduced to paying o	many term of $FIVC$ ( $\overline{5}$ )years from the date hereof, and for quantities from the leased premises or from lands pooled therewith or this lease is
3. Royaltles on oil, gas and other substances produced separated at Lessee's separator facilities, the royalty shall be Lessor at the wellhead or to Lessor's credit at the oil purchase the wellhead market price then prevailing in the same field (prevailing price) for production of similar grade and gravity well to the production of similar grade and gravity well to the production of similar grade and gravity well to the production of similar grade and gravity well to the continuing right to purchase such production at the production of the provailing in the same field, then in the nearest field in the nearest preceding date as the date on which Lessee comment the leased premises or lands pooled therewith are capable of hydraulic fracture stimulation, but such well or wells are either be producing in paying quantities for the purpose of maintaining being sold by Lessee, then Lessee shall pay shut-in royalty of depository designated below, on or before the end of said 90-are shut-in or production there from is not being sold by Lessee from another well or wells on the leased premises or lands operations or production. Lessee's failure to properly in the lesse fact and such payments or tenders to Lessor or to the depose address known to Lessee shall constitute proper payment. If payment hereunder, Lessor shall, at Lessee's request, deliver shall be premises or lands pooled therewith, or if all production (whe pursuant to the provisions of Paragraph 3, above, if Less premises or lands pooled therewith within 90 dathe end of the primary term, or at any time thereafter, this le operations reasonably calculated to obtain or restore production coessation of more than 90 consecutive days, and if any state is production in paying quantities from the leased premises to (a) develop the leased premises as to formations then capeased premises from uncompensated drainage by any well of additional wells except as expressely provided herein.	I and saved hereunder shall be The Land Price of the transportation facilities, proor if there is no such price the report of the property of the production there from the production the production of the production the production of the prod	e paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons (BO*10) of such production, to be delivered at Lessee's option to ovided that Lessee shall have the continuing right to purchase such production at an prevailing in the same field, then in the nearest field in which there is such a nighead gas) and all other substances covered hereby, the royally shall be an the sale thereof, less a proportionale part of ad valorem taxes and production, or otherwise marketing such gas or other substances, provided that Lessee shall paid for production of similar quality in the same field (or if there is no such price of price) pursuant to comparable purchase contracts entered into on the same or and (c) if at the end of the primary term or any time thereafter one or more wells on other substances covered hereby in paying quantities or such wells are waiting on in is not being sold by Lessee, such well or wells shall nevertheless be deemed to 90 consecutive days such well or wells are shut-in or production there from is not red by this lease, such payment to be made to Lessor or to Lessor's credit in the or before each anniversary of the end of said 90-day period while the well or wells a is otherwise being maintained by operations, or if production is being sold by lessee liable for the amount due, but shall not operate to terminate this lease, to Lessor's credit in at lessor's address above, or its successors, which shall of said land. All payments or tenders may be made in currency, or by check or by is not a stamped envelope addressed to the depository or to the Lessor at the last or be succeeded by another institution, or for any reason fail or refuse to accept instrument naming another institution, or for any reason fail or refuse to accept instrument naming another institution as depository agent to receive payments. Able of producing in paying quantities (hereinafter called "dry hole") on the leased in the event this lease is not otherwise obtaining or restoring production on so such dry hol
6. Lessee shall have the right but not the obligation to depths or zones, and as to any or all substances covered by proper to do so in order to prudently develop or operate the le unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maxin completion to conform to any well spacing or density pattern to of the foregoing, the terms "oil well" and "gas well" shall have prescribed, "oil well" means a well with an initial gas-oil ratio of elet or more per barrel, based on 24-hour production test equipment; and the term "horizontal completion" means an equipment; and the term "horizontal completion" means an equipment; and the term "horizontal completion" means an ecuipment thereof. In exercising its pooling rights hereunde Production, drilling or reworking operations anywhere on a treworking operations on the leased premises, except that the net acreage covered by this lease and included in the unit bit lessee. Pooling in one or more instances shall not exhaust Lunit formed hereunder by expansion or contraction or both, exprescribed or permitted by the governmental authority having making such a revision, Lessee shall file of record a written decaded premises is included in or excluded from the unit by vibe adjusted accordingly. In the absence of production in paying a written declaration describing the unit and stating the date of	If this lease, either before or a ased premises, whether or not contal completion shall not excount acreage tolerance of 10% nat may be prescribed or permit the meanings prescribed by a fless than 100,000 cubic feet pronducted under normal production of well in which the horizontal well in which the horizontal if well in which the horizontal if well in which the horizontal if the which includes all or any production on which Lessor's ears to the total gross acreage essee's pooling rights hereund either before or after comment jurisdiction, or to conform to a eclaration describing the revise tue of such revision, the propong quantities from a unit, or upter any part of the leased members.	and premises or interest therein with any other lands or interests, as to any or all fiter the commencement of production, whenever Lessee deems it necessary or similar pooling authority exists with respect to such other lands or interests. The eed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a provided that a larger unit may be formed for an oil well or gas well or horizontal litted by any governmental authority having jurisdiction to do so. For the purpose applicable law or the appropriate governmental authority, or, if no definition is so per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic pucing conditions using standard lease separator facilities or equivalent testing component of the gross completion interval in facilities or equivalent testing component of the gross completion interval in the reservoir exceeds the vertical a written declaration describing the unit and stating the effective date of pooling part of the leased premises shall be treated as if it were production, drilling or royally is calculated shall be that proportion of the total unit production which the in the unit, but only to the extent such proportion of unit production which the in the unit, but only to the extent such proportion of unit production is sold by der, and Lessee shall have the recurring right but not the obligation to revise any gement of production, in order to conform to the well spacing or density pattern any productive acreage determination made by such governmental authority. In ad unit and stating the effective date of revision. To the extent any portion of the origin of unit production on which royalties are payable hereunder shall thereafter on permanent cessation thereof, Lessee may terminate the unit by filing of record or shall not constitute a cross-conveyance of interests.

- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest, and failure of the transferres a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease then held by each.
- pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

  9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- in accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessoe writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during th
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective production of this lease.
- 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well have easements shall run with the land and survive any termination of this lease.
- other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Kafael Marlines Odelio Mortin **ACKNOWLEDGMENT** STATE OF TOP TO STATE OF was acknowledged before me on the Control day of MITTINE A CIVO WIFE OFELICA day of 2009. KISHA G. PACKER POLK Notary Public, State of Texas ry Public State My Commission Expires of April 15, 2012 Notary's name (printed) Notary's commission expires: STATE OF COUNTY OF This instrument was acknowledged before me on the 2009. day of



### DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

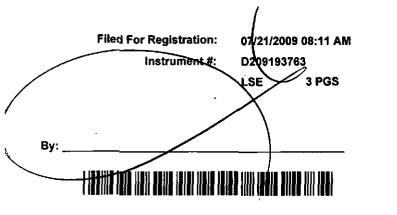
TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00



D209193763

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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